Economic Stimulus: Democrats vs. Bush Plan

House Budget Committee Democratic Staff

Revised January 10, 2003

Bush Stimulus Package

Fair? **NO**
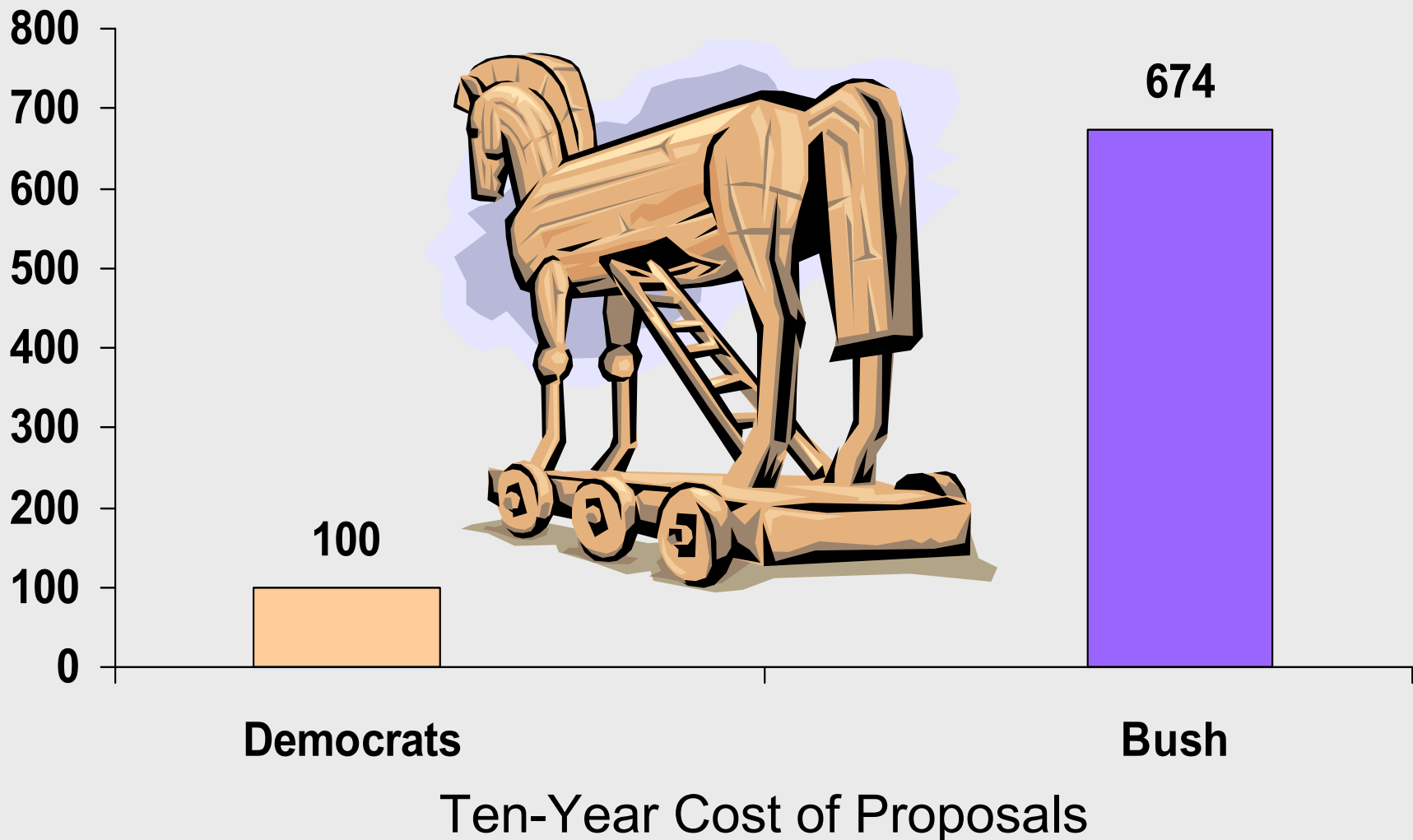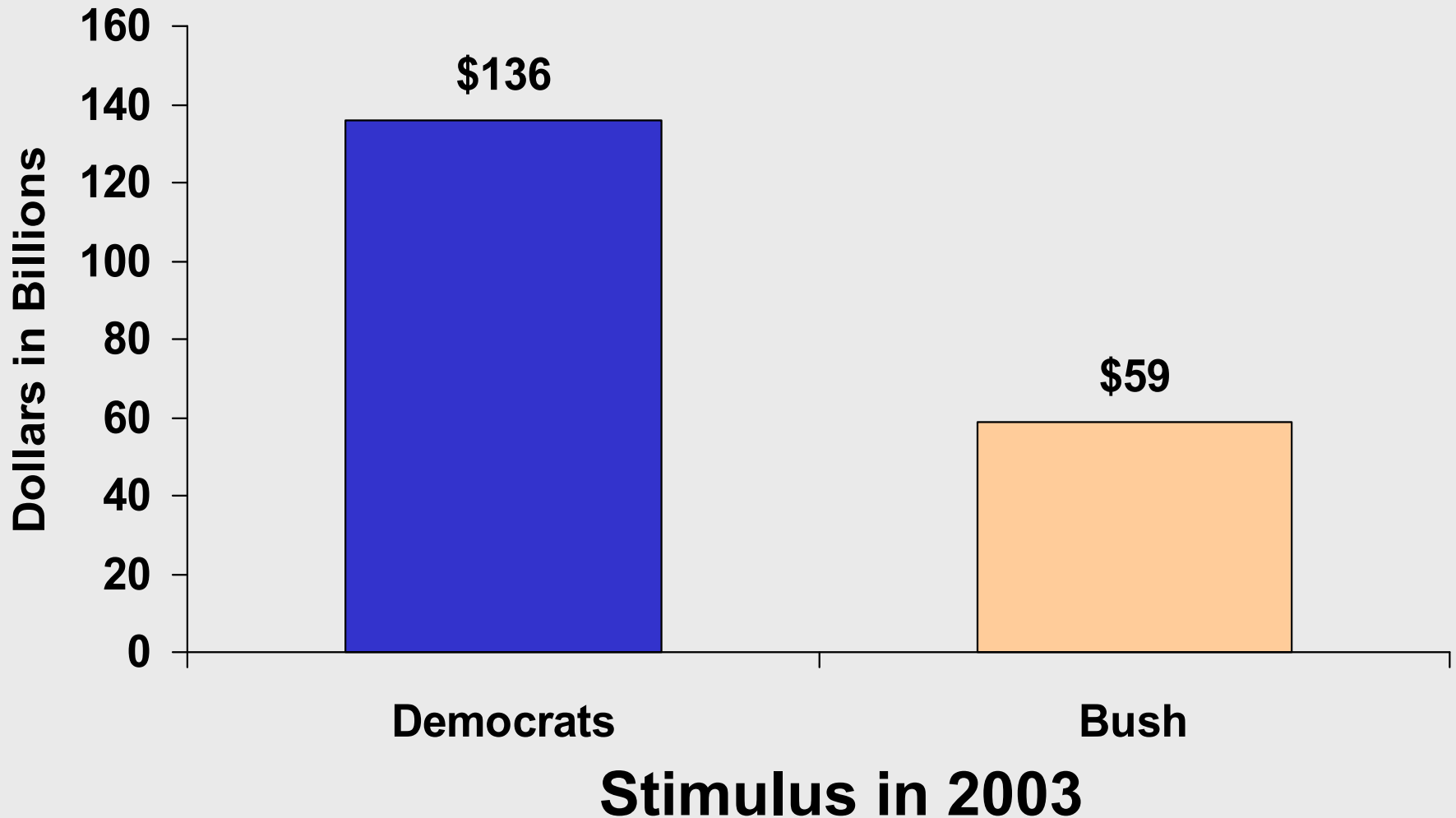
Fast-Acting? **NO**

Fiscally Responsible? **NO**

Trojan Horse: Republicans Pursue Tax-Cut Agenda Under Guise of Stimulus

800
700
600
500
400
300
200
100
0

674

100

Democrats

Bush

Ten-Year Cost of Proposals

Democratic Stimulus:
More Than Two Times Larger

Dollars in Billions

Stimulus in 2003

Democrats	Bush
$136	$59

01/07/03

Republican Plan Busts Budget
Cost Over Ten Years

Dollars in Billions

$100 — Democrats

$674 — Bush
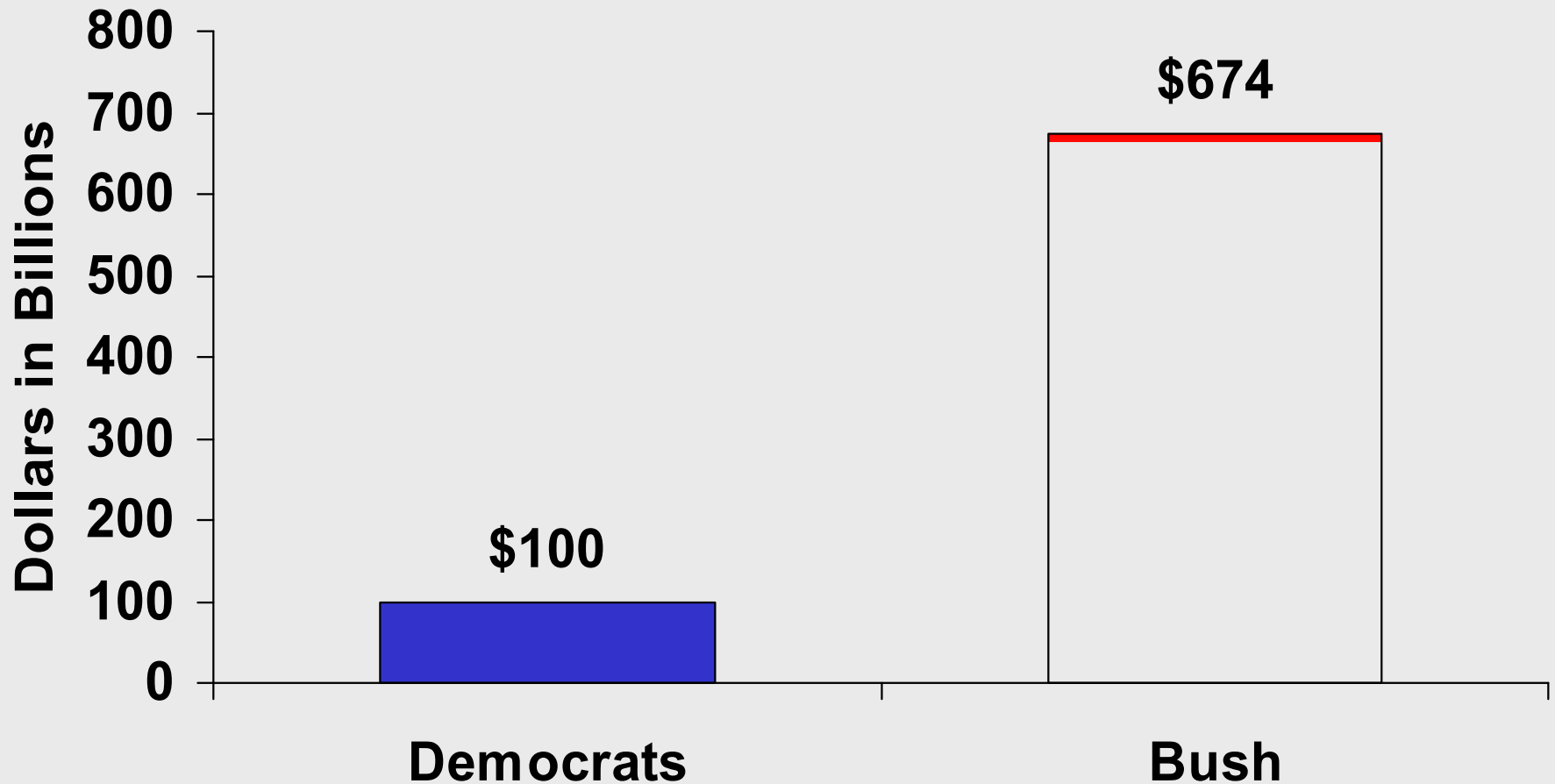
Democrats: Short-Term Stimulus, Long-Term Balance

  01/07/03
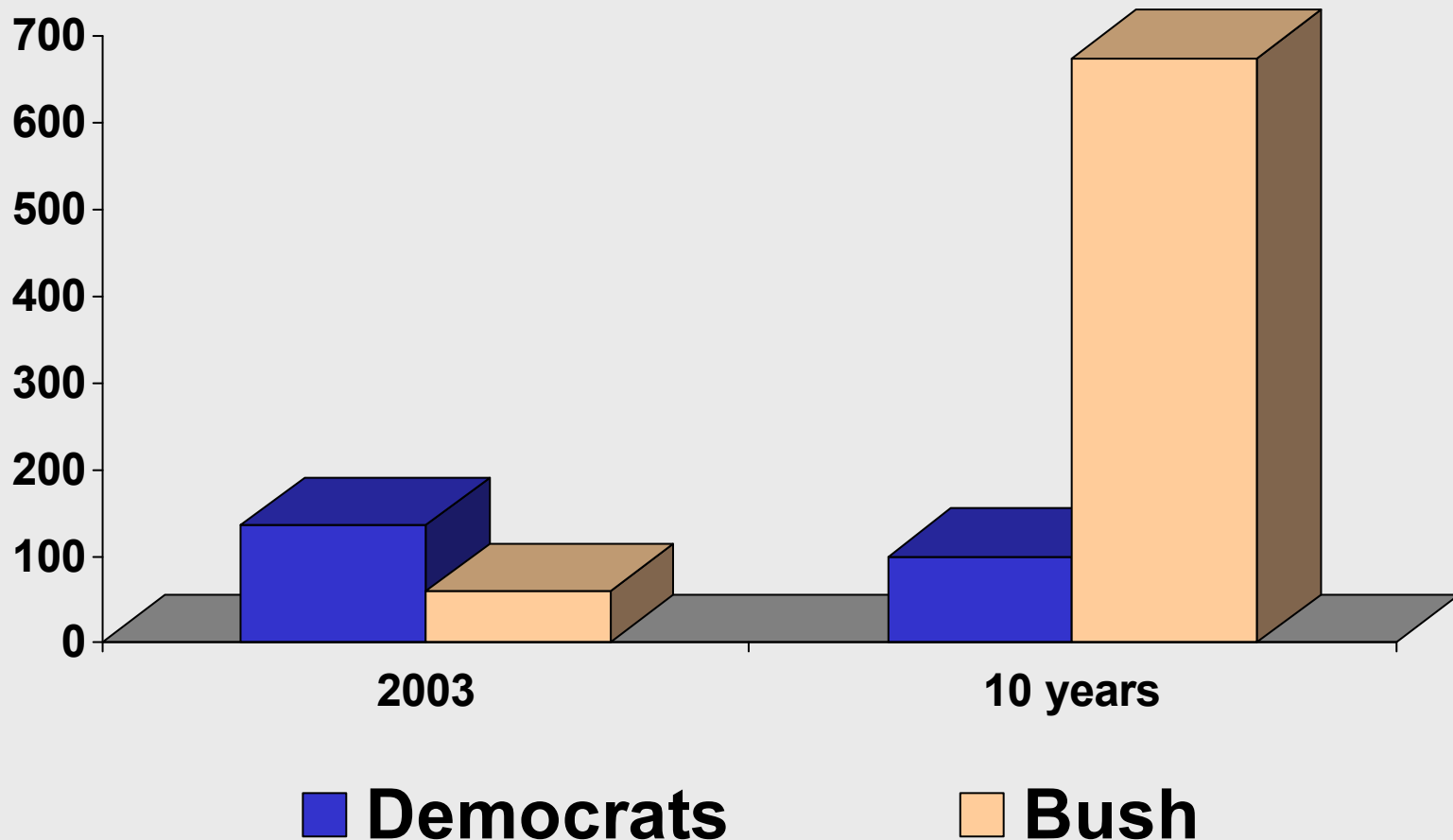
Who Benefits from Dividend Taxation Proposal?

Income	Average Benefit
Less than $75,000	$31
More than $1 million	$27,097

Tax Benefit From Accelerating Rate Cuts, 2003

$5,000	$15,000	$25,000	$35,000	$45,000	$62,500	$87,500	$150,000	$350,000	$750,000	Millionaires	"Average"
0	0	0	10	68	145	384	898	2,096	11,971	63,416	303

Tax Benefit From Exempting Dividends, 2003

Bar chart values by income category:

Category	Value
$5,000	4
$15,000	12
$25,000	25
$35,000	42
$45,000	84
$62,500	126
$87,500	194
$150,000	514
$350,000	2,022
$750,000	5,480
Millionaires	27,097
"Average"	186
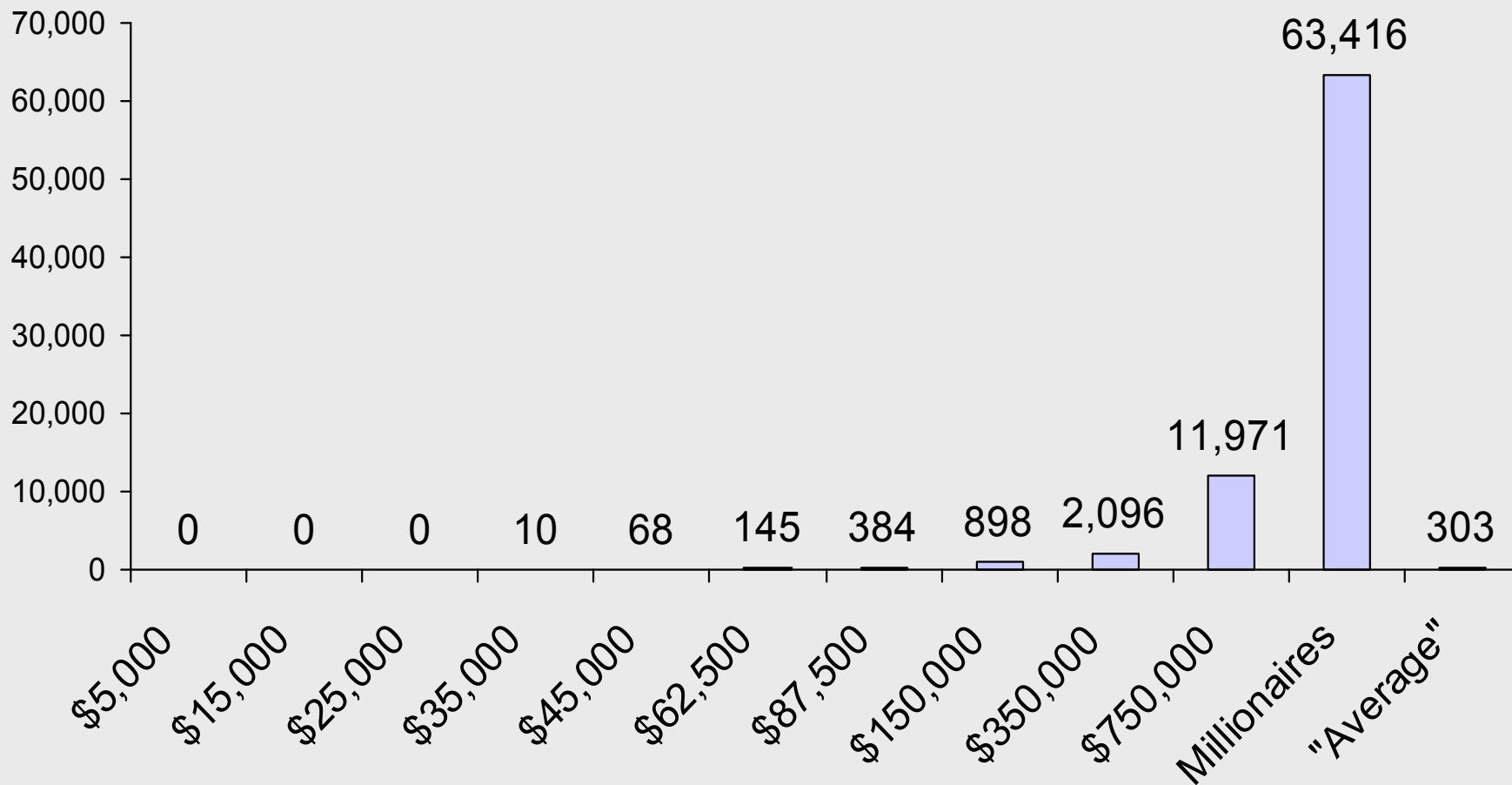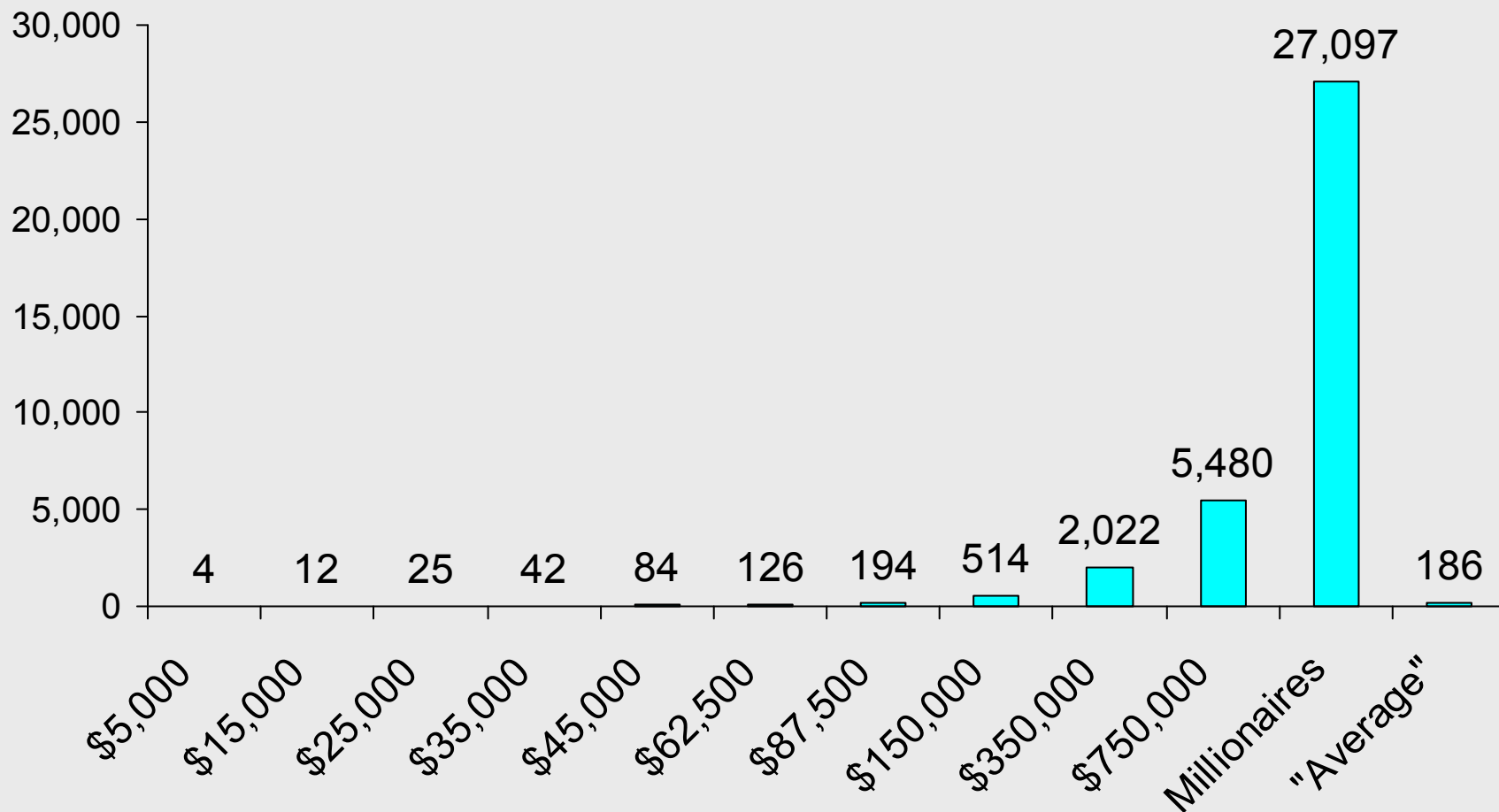
Tax Benefit From Exempting Dividends – Elderly Only - 2003

Bar chart showing tax benefit values by income category:

Category	Value
$5,000	1
$15,000	48
$25,000	130
$35,000	252
$45,000	547
$62,500	606
$87,500	830
$150,000	1,943
$350,000	6,007
$750,000	13,501
Millionaires	61,736
"Average"	681
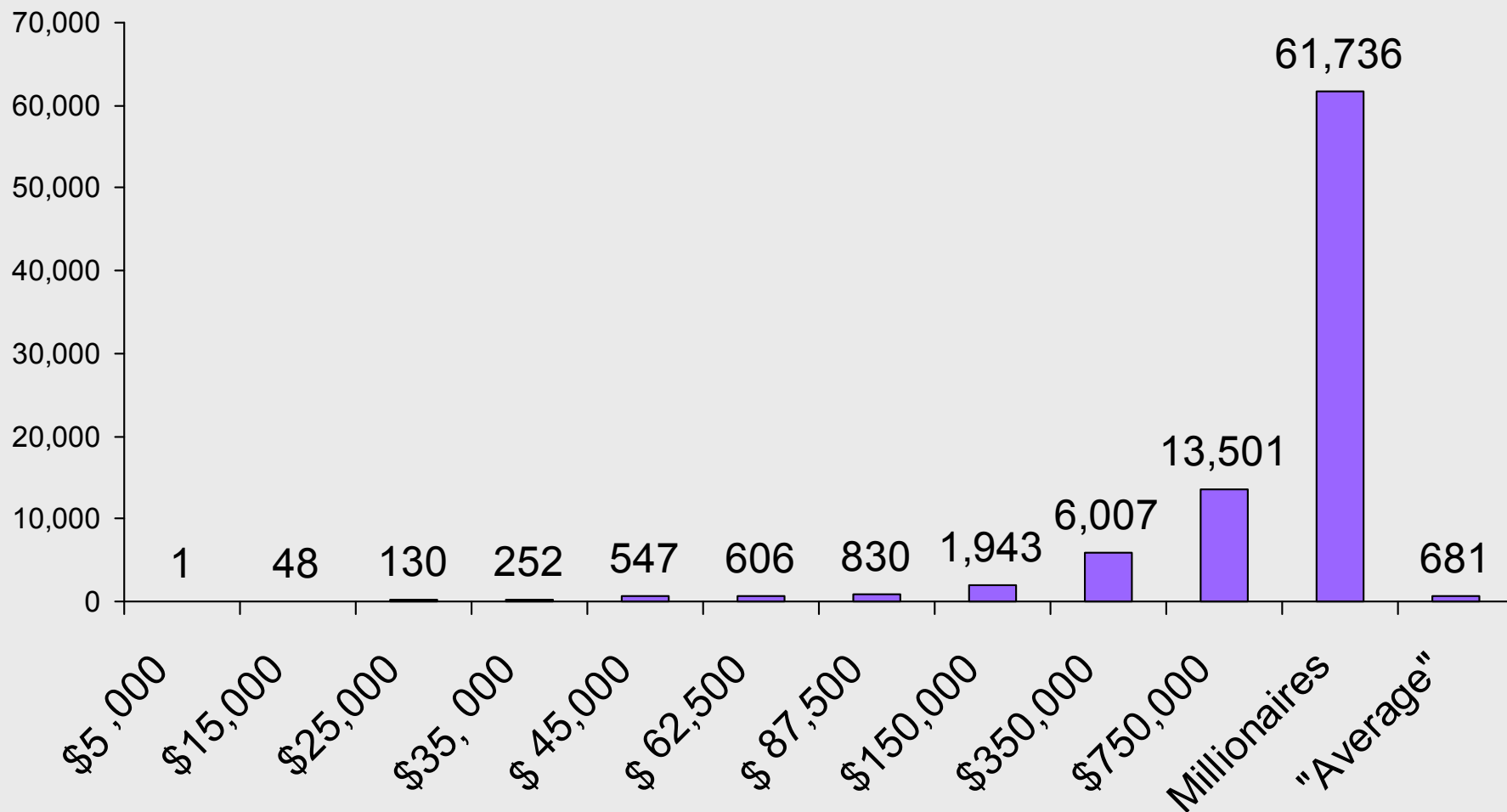
Help for the Unemployed

	Democratic Stimulus	Republican S. 23
Help 1 million jobless who received 13 weeks of federal aid	**YES**	**NO**
Help part-time/low-wage workers	**YES**	**NO**
Weeks of benefits	26	13
Average total benefit	$6,708	$3,354
Federal aid in 2003	$18 billion	$7 billion
Deadline for applying	June 30	May 31

Democrats Provide Real Assistance to States

President Ignores State Fiscal Crises

	Democrats	Bush
Total	**$32 B**	**$4 B**
Medicaid	$10 B	$0
Homeland Security	$10 B	$0
Infrastructure	$5 B	$0
Other	$7 B	$4 B
Tax Cuts Harm States?	**No**	**Yes**

2001 Tax Cut All Over Again
New Bush Agenda Costs Another $2 Trillion

Stated Bush Program	674
• Debt Service (Estimated)	<u>280</u>
Subtotal	954
• Make 2001Tax Cuts Permanent	600
• Debt Service (Estimated)	<u>45</u>
Subtotal	1,599
• AMT Repair (Estimated)	500
• Debt Service (Estimated)	<u>75</u>
Total Tax Agenda	**2,174**

Democrats' Tax Rebate vs. Bush Tax Cuts

	Democrats' Stimulus Tax Rebate	Bush Tax Cut
What couples up to $75,000 get	$600	$273
What couples over $1 million get	$600	$88,873
Proportion of tax cut going to couples up to $75,000	75%	26%
Proportion of tax cut going to couples over $1 million	0.2%	17%
Makes states' fiscal problems worse	No	Yes